IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.1616 OF 2005
IN
SUIT NO.1498 OF 2005

Eurokids International Pvt.Ltd. Plaintiff

versus

India Book Distributors Egmont Books Ltd. Defendant

Mr.Birendra Saraf with Vivek Kashpalla, Vyapali Desai and Prashant Kataria i/by Nishith Desai & Co. for plaintiff.

Mr.Virag Tulzapurkar i/by M/s.Ajmerwala & Co. for defendant no.1.

Mr.S.Thacker for defendant no.2.

CORAM : S.C.DHARMADHIKARI, J.

DATE : 5th August 2005

PC :

1. This Notice of Motion is taken out for following reliefs :-

a. that pending the hearing and final disposal of the present suit the Defendant No.1 their servants, representatives, agents, distributors, dealers and employees be directed by an order and injunction of this Hon'ble Court to deliver-up to Defendant No.2 or the Plaintiffs as Defendant No.2's exclusive licensee, all copies of the

impugned TinTin books and to certify the same in writing to this Hon'ble Court and to the Plaintiff;

b. that pending the hearing and final disposal of the present suit the Defendant No.1 their servants, representatives, agents, distributors, dealers and employees be restrained by a temporary order and injunction of this Hon'ble Court from in any manner whatsoever importing, distributing or selling TinTin books in India;

c. that pending the hearing and final disposal of the present suit the Defendant No.1 their servants, representatives, agents, distributors, dealers and employees be ordered to recall all TinTin books already distributed by the Defendant and to certify the same in writing to this Hon'ble Court and to the Plaintiff;"

2. On 10th June 2005, I had passed an order recording statement of defendant no.1's advocate that first defendant has no objection if for a limited duration ad-interim order in terms of prayer clause (b) is granted. Time was granted at the request of said advocate to file affidavit in reply and after the same and rejoinder thereto has been filed, with consent of both sides, the motion has been heard by me finally.

3. The suit has been filed by the plaintiff in it's capacity as an exclusive licensee of one Egmont Books Limited, United Kingdom. The exclusive license is for importing and

distributing various titles including "TINTIN" in the territories of India, Srilanka, Nepal, Bangladesh, Bhutan and Maldives.

4. It is the case of the plaintiff that second defendant is one of the largest children book publishers in the United Kingdom. Its catalogue caters to children of all ages, featuring popular licensed characters such as Winnie-the-Pooh and Thomas the Tank Engine, an impressive picture book list with stars such as Helen Oxenbury and Colin and Jacqui Hawkins, as well as an award-winning fiction list with authors such as Jamila Gavin, William Nicholson, Michael Morpurgo and Anne Fine. Defendant No.2 is also the UK publisher of the English Translations of TinTin.

5. First defendant is a distributor of books in India. Plaintiff submits that one Casterman Editions had the exclusive publishing rights relating to Herge’s TinTin and had the sole and exclusive right to exploit the publishing rights. Defendant No.2 entered into an agreement dated July 23, 2001 with the said Casterman Editions whereby Casterman Editions granted to Defendant No.2 the exclusive right to publish and distribute TinTin books in various territories

including India. Vide Article 2 of the said agreement Defendant No.2 owns the worldwide copyright in the English Translations by Leslie Lonsdale Cooper and Michael Turner in the Adventures of TinTin series together with a number of trademark registration in Snowy, Professor Calculus and Thomson & Thomson. A copy of the agreement is marked as Annexure-A to the plaint. Thus, on the basis of Annexure-A and ownership of defendant no.2 that plaintiff has acquired exclusive importation, distribution and other rights under an agreement dated 27th September 2004 entered into by them with defendant no.2. A copy of this agreement is annexed as Annexure-B. It is contended by Mr.Saraf - learned counsel appearing for plaintiff that once an exclusive license to import and distribute various titles published by defendant no.2 in the territories set out in the agreement is granted then there cannot be any question of first defendant bringing in these titles within the territories earmarked in the agreement Annexure-B. He invites my attention to various clauses of this agreement and contends that agreement is effective from 1st January 2002. The said agreement is in force admittedly till 1st September 2005 and is likely to be

renewed.

6. Mr.Saraf submits that in or about January 2005 plaintiffs attention was invited to the fact that titles which are covered by agreement (Annexure-B) but which are not distributed or imported by the plaintiff, were available in the Indian market. The plaintiff purchased some of the titles. He submits that these titles had been illegally imported into India by defendant no.1. It appears that these titles were acquired through Little Brown & Co. of United States of America (USA).. He states that M/s.Little Brown & Co. is the American Publisher of TinTin titles. However, M/s.Little Brown & Co. has been granted rights by Casterman in respect of these titles only for the territory of USA.. Thus, the books imported and distributed by M/s.Little Brown & Co. in USA cannot be imported and distributed in India by first defendant. Such an action on their part contravenes agreement at Annexure-B and defeats plaintiff's rights thereunder. Since M/s.Little Brown & Co. itself has no authority to import or distribute the titles in question in India, then they could not have created any rights in favour of first defendant. Therefore, first defendant cannot

urge that they have derived rights from M/s.Little Brown & Co..

7. Mr.Saraf invites my attention to the E-Mail correspondence (Annexure-C) between second defendant and M/s.Little Brown & Co.. He submits that in such correspondence, M/s.Little Brown & Co. had assured the second defendant that they would not import or distribute TinTin Books in India. He, therefore, submits that importation and distribution in India of the books is unauthorised and in violation of the rights of plaintiffs.

8. Mr.Saraf invites my attention to the correspondence between plaintiffs and first defendant as well as their respective advocates and submits that first defendant are guilty of infringement of copyright of the plaintiff on account of illegal and unauthorised importation, distribution and sale of TinTin books in India. He reiterates that plaintiffs are the exclusive licensees and the agreement between them and second defendant is the proof of rights created in favour of plaintiffs.

9. In support of his submissions Mr.Saraf

invites my attention to definitions in Copyright Act, 1957 (hereinafter referred to as "the Act" for the sake of brevity) and more particularly term "Exclusive Licence" (Section 2[j]), the word "Literary Work" defined in section 2(o) and the term "Work" defined in Section 2(y) of the Act. He also invites my attention to Sections 14, 18 and 19 as well as Section 51 of the Act. He also takes me through Chapter-XII and more particularly Section 54. Mr.Saraf also relies upon a Division Bench decision reported in AIR-1985-Delhi-29. He submits that the said decision is rendered against first defendant herein.

10. Mr.Thacker appearing for second defendant confirms that an agreement (Annexure-B) has been arrived at between plaintiffs and second defendant. He confirms that the same is subsisting. He supports the pleas of plaintiff.

11. Mr.Tulzapurkar appearing for contesting defendant no.1 firstly submits that the suit is not maintainable. He invites my attention to Section 61 of the Act. He submits that sub section (1) of Section 61 makes it mandatory that in a suit instituted by an exclusive licensee

regarding infringement of Copyright, the owner of the copyright must be made a defendant. This is subject to the Court directing otherwise. He submits that the said provision confers right upon the owner to dispute the claim of exclusive licensee. He submits that the so called rights of the plaintiff are those set out in paras 2 and 4. He submits that these rights are derived through second defendant. However, second defendant is the publisher of children books in USA.. On the own showing of the parties Casterman Editions had the exclusive publishing rights relating to the work in question (TinTin). Admittedly, Casterman is not joined as a party. He submits that clause 10 of the Agreement at Annexure-A is very clear. It is in respect of ownership rights of Casterman. He invites my attention to clause 13 of the agreement at Annexure-A also. He submits that plaintiffs have no title admittedly. Thereafter, relying upon Section 17 of the Act, Mr.Tulzapurkar submits that in terms of proviso (a) thereto, it is clear that who shall be the first owner of copyright in the work in question. He emphasises the words "Proprietor" appearing in the said proviso. He also relies upon Section 18 of the Act and contends vehemently that there has to be an

assignment, whereas in the present case it is just a licence. Such licence does not create any right in favour of the plaintiffs. Alternatively, he submits that unless and until the plaintiffs establish their title through original owner, they are not entitled to any relief. In that behalf, he relies upon agreement at Annexure-B and contends that merely joining of second defendant would not be of any assistance to the plaintiffs. Mr.Tulzapurkar also invites my attention to the publications which are annexed to the affidavit in rejoinder and submits that M/s.Little Brown & Co. are the copyright owners. He submits that in the light of this position in law as well as on facts the plaintiffs are not entitled to any reliefs in this suit. Consequently, they are not entitled to any interlocutory injunction. He submits that the judgement reported in AIR-1985-Delhi-29 has no application to the facts and circumstances of present case. The plaintiff has not been appointed as a sole and exclusive importer and distributor of TinTin books in India. There are other distributors/importers who are bringing these titles into India. Unless and until an agreement appointing plaintiff as sole and exclusive importer is placed on record or any

other material is produced, there is no question of plaintiffs alleged rights being infringed. On the other hand, there is an implied acknowledgement that other persons are also entitled to import and distribute into India the TinTin titles.

12. Apart from the fact that there is no prima facie case made out, he submits that plaintiff is disentitled to claim any reliefs firstly on account of inordinate delay and laches and secondly on account of deliberate confusion created by them about identity of first defendant. In that behalf, he relies upon para 15 of the affidavit in reply filed by first defendant. He states that first defendant has purchased books in question from Amcorp Books Limited and not from M/s.Little Brown & Co.. Therefore, the correspondence between M/s.Little Brown & Co. and second defendant cannot be of any assistance. He relies upon certificate dated 16th June 2005 in this behalf. He submits that a deliberate confusion on the basis of a bogus agreement is created by plaintiffs and by virtue of their conduct they are not entitled to any discretionary and equitable reliefs.

13. For all these reasons he submits that the Notice of Motion be dismissed.

14. Mr.Saraf has invited my attention to the affidavit in rejoinder and more particularly para 13. He also invites my attention to the annexures to the affidavit in rejoinder wherein, according to him, it is made clear that M/s.Little Brown & Co. would not distribute the books in question into India. The right conferred on Little Brown & Co. is restricted to territories mentioned therein.

15. With the assistance of learned counsel appearing for both sides, I have perused the plaint, annexures thereto and the affidavits filed on record. I have also perused the decision relied upon and the relevant provisions of the Act.

16. In my view, plaintiffs have made out a strong prima facie case and they are entitled to the injunction as prayed for. The balance of convenience is in their favour and during subsistence of their agreement if first defendant is allowed to import into India the titles in question, plaintiffs will suffer grave loss,

irreparable harm and injury. My reasons for these conclusions are set out hereinbelow.

17. Copyright Act, 1957 is an Act to amend and consolidate the law relating to Copyright. The term "Copyright" for the purposes of this Act has a meaning assigned to it in Section 14. Section 14 insofar as relevant for our purpose reads thus:-

"14. Meaning of copyright - (1) For the purposes of this Act, "copyright" means the exclusive right, subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely :-

(a) in the case of a literary, dramatic or musical work, not being a computer programme-

(i) to reproduce the work in any material form including the storing of it in any medium by electronic means;

(ii) to issue copies of the work to the public not being copies already in circulation;

(iii) to perform the work in public, or communicate it to the public;

(iv) to make any cinematograph film or sound recording in respect of the work;

(v) to make any translation of the work;

(vi) to make any adaptation of the work;

(vii) to do, in relation to a translation or an adaptation of the work, any of the acts specified in relation to the work in sub clause (i) to (vi)."

Section 16 of the Act states that no person shall be entitled to Copyright or any similar right in any work, whether published or unpublished, otherwise than under and in accordance with provisions of Copyright Act or of any law time being in force. Chapter-IV deals with ownership of Copyright and the rights of the owner. It is pertinent to note that Copyright is capable of being assigned and the mode of assignment is set out in Section 19. Section 21 permits relinquishment of the right of an author of a work. If the term "Copyright" as defined by the Act is understood, then it is clear that it means exclusive right subject of course to the provisions of the Act to do or authorise doing of any of the acts in respect of a work or any substantial part thereof (See Section 14). It is not disputed nor it could be disputed that the term "Work" means a literary work, dramatic, musical or artistic work. The term "Literary Work" is defined in Section 2(o) of the Act and it is an inclusive definition. In other words, both sides do not dispute that the present work is covered by the Copyright Act, 1957. The rights flowing in favour of the parties before me are thus governed by this Enactment. If the

enactment is perused as a whole and in the light of the Preamble thereof, then it is clear that the civil remedies available in Chapter-XII could be availed of by the plaintiffs. For the purposes of Chapter-XII, unless context otherwise requires, the expression of "Owner of Copyright" shall include an exclusive licensee. An exclusive licence means a licence which confers on the licensee or on the licensee and persons authorised by him, to the inclusion of all other persons including the owner of Copyright, any right comprised in the copyright in a work. That copyright can subsist insofar as the Act complained of is also not disputed by the counsel for parties. In other words, Section 51 of the Act providing for infringement of the copyright covers acts which are complained of by the plaintiffs is not in dispute.

18. The substance of the complaint by the plaintiff is that their copyright has been infringed because of the acts of first defendant in importing and distributing in India the Works (TinTin books) in question. In my view, if Section 51 is perused in the light of Section 54 of the Act and the term "Exclusive Licensee" as defined therein, then the plaintiffs can

institute present suit against first defendant. They are not prevented in any manner in relying upon the agreements (Annexures-A and B). More particularly, agreement at Annexure-B. A careful perusal of the agreements would indicate that M/s.Casterman controls the exclusive publishing rights relating to "Herge's TinTin". They have the sole and exclusive rights to exploit the publishing rights of the work. However, second defendant owns English Translation of TinTin by Leslie Lonsdale & Michael Turner through out the world. Casterman and second defendant have co-operated with each other and brought about a union of their rights. They want to jointly publish and distribute the work in question through out the world excluding USA.. If annexures to the rejoinder affidavit are perused carefully, it appears that M/s.Casterman have insofar as USA is concerned, conferred some rights in favour of M/s.Little Brown & Co.. The issue before me is not of exclusive publishing rights but of importation and distribution of the work in question. That such an aspect is covered by the Act is not in dispute at all. Now, it is this right of M/s.Casterman which is acknowledged by second defendant. Clause 10 of Agreement at Annexure-A reads thus :-

"ARTICLE 10. OWNERSHIP OF RIGHTS :-

(a) It is hereby acknowledged that Casterman controls the exclusive publishing rights relating to the Adventure of Tintin series which it is licensing to Egmont for the duration of this Agreement. On termination or expiry of this Agreement, all publishing rights granted herein to Egmont by Casterman shall revert to Casterman."

A bare perusal of the same would indicate that Casterman's rights have been acknowledged by the second defendant and during the duration of the agreement at Annexure-A Casterman has given licence to Egmont Books Limited (Defendant no.2) to do the acts mentioned therein. Prima facie, Mr.Tulzapurkar's contention that this arrangement is a licence and not an assignment in favour of defendant no.2 has no substance. I am not concerned with the rights of second defendant qua Casterman. That is not the subject matter before me. In any event, I am of the view that first defendant cannot question the agreement between defendant no.2 and Casterman. It is not open for the first defendant to urge that publication and distribution rights through out the work are not assigned by M/s.Casterman to second defendant, according to the Act. In my view, perusing the entire agreement at Annexure-A, in the light of

the relevant provisions of Copyright Act and more particularly Sections 18 and 19 thereof, leave me in no manner of doubt that the same would satisfy requirement stipulated therein. That apart, that agreement cannot be brushed aside by taking recourse to the Act because insofar as M/s.Casterman and second defendant is concerned they have accepted that the rights controlled exclusively by Casterman are being shared jointly by second defendant and them. Mr.Tulzapurkar was unable to point out anything from the record which would indicate that the Agreement at Exhibit-A is not in accordance with Copyright Act, 1957 assuming that the same applies to it.

19. Coming to the agreement at Annexure-B. It is clear from a perusal thereof that it is an exclusive licence to import and distribute the titles in the territory. The term "Titles" is defined in clause 1(d) and word "Territory" is defined in clause 1(b) of the Agreement. The appointment is as an exclusive licensee. It is clear that second defendant has very clearly permitted the plaintiffs to import and distribute the titles in the territory to the exclusion of all others. That this agreement is in force till 1st September 2005 is clear. Not much can be

made about the same being made operative from 1st January 2002. Ultimately one is concerned with substance of this agreement and the nature of rights conferred thereunder. That it is an assignment is very clear from a perusal of clause 17 of the agreement (annexure-B). This agreement will have to be read as a whole. So read, in my view, it cannot be assailed on the ground that it does not constitute an assignment of copyright.

20. The contention of Mr.Tulzapurkar that the plaintiff cannot maintain present action is therefore untenable. If the definition of the term "Exclusive Licence" coupled with civil rights conferred by Section 54 on such licensee are perused, then it is not permissible for the defendant no.1 to urge that the plaintiffs cannot maintain present suit in the absence of Casterman. Similarly, they cannot contend that mere joining of Egmont Books Limited (second defendant) is of no use. For the purposes of claiming reliefs against first defendant and making out a prima facie case of infringement of plaintiff’s copyright, it is not necessary for the plaintiffs to join M/s.Casterman.

21. Equally untenable is the plea that the

plaintiffs cannot prevent importation and/or distribution by the first defendant of the work in question. A perusal of the correspondence between second defendant and M/s.Little Brown & Co. leaves me in no manner of doubt that M/s.Little Brown & Co. could not have permitted any party to distribute and import the titles in question in India. That is the fact acknowledged by them. Therefore, purchase of the books through M/s.Little Brown & Co. is of no consequence at all. As to whether the plaintiffs would ultimately succeed in proving the averments in the plaint and more particularly in paras 7 and 8 thereof, with the assistance of this correspondence is an aspect which need not be gone into at this stage. Suffice it for me that the plaintiffs have pleaded that M/s.Little Brown & Co. itself has no right and authority to import and distribute "Tintin" in India. That is a case which the plaintiffs will have to prove at the trial, if necessary. However, for making out a prima facie case insofar as first defendant are concerned, it is not necessary for the plaintiffs to prove the aforesaid aspect. All that they have to show is that they derive the rights from second defendant which is not disputed. If the rights as derived under the agreement with the

second defendant are of importation and distribution of titles in question exclusively, then save and except through the plaintiffs, the said titles cannot be imported or distributed in India.

22. I find absolutely no substance in the contention that the agreement at Annexure-B does not appoint the plaintiff as sole, exclusive importer and distributor of TinTin Books in India and other importers/distributors are not prohibited in doing so. This submission overlooks the agreement and more particularly clause 2 thereof. The said clause (appointment) has to be perused in it's entirety. It is clear that Egmont Books Ltd. has agreed not to sell the titles to any person or company other than the plaintiff in the territory mentioned in the agreement. In fact, the agreement goes as far as stating that second defendant shall not sell the titles to any person or company outside the territory or sell them in the territory unless mutually agreed otherwise. Thus, the second defendant has agreed with the plaintiffs not to sell to any person or company outside the territory mentioned in the agreement the titles which are meant for sale in the territory except

by mutual agreement. If such is the nature of arrangement, then it is not open to the first defendant to contend that there is no exclusive importation or distribution right created in favour of the plaintiffs in respect of territory mentioned in the agreement. Therefore, in my view, when it is not disputed that first defendant have admittedly imported and distributed the titles in question in India, then there is a breach or violation of the Agreement at Exhibit-B. It is clear that permission to import and distribute the titles is not granted to the first defendant by either second defendant or the plaintiffs. If the exclusive rights of the plaintiffs are being violated or breached by the first defendant's acts of importation or distribution of titles in question in India, then the plaintiffs have made out a case of infringement of their copyright. After having concluded that the nature of arrangement amounts to grant of exclusive licence and that such licence would cover the acts contemplated by the Act, then the plaintiffs have prima facie established a case of infringement of their copyright by first defendant.

23. Once it is established by the plaintiffs

that their rights are exclusive and the same have been infringed, then the contentions with regard to the identity of first defendant need not be seriously considered. In the rejoinder affidavit it is pointed out by the plaintiffs that first defendant have been trading in India in the names "India Book Distributors" and "India Book Distributors (India) Limited". Their identity with each other prima facie is established. Therefore, merely because the word "India" appears after the words "India Book Distributors" and that one of the entities is a limited company, it is not of much consequence. That their registration as firms or companies and they have been operating from various places/regions in India, is also not of any relevance. Insofar as present case is concerned, in para 5 of the affidavit in reply, first defendant themselves state that their associate has imported two consignments of TinTin Books in India (27th December 2004 and 26th February 2005). Therefore, importation and distribution by the first defendant is complete. Accepting the pleas of first defendant about identity of the party distributing and importing the works in question would amount to violating the provisions of the Act in letter and spirit. The aspect of so

called delay also need not detain me inasmuch as consignments have come in India on 26th February 2005. There is not much delay, leave aside any laches.

24. Lastly, the plea that M/s.Amcorp Ltd. has dispatched the books into India through various purchasers is also untenable. The so called certificate of M/s.Amcorp Ltd. does not mention anything except their understanding. First defendant has not produced any other material about the rights of M/s.Amcorp. M/s.Amcorp Ltd. has not filed any affidavit setting out the circumstances in which the certificate has been given. It is rightly pointed out by Mr.Saraf that M/s.Amcorp Ltd.'s certificate cannot carry the matter further. The veracity of the certificate as well as it's genuineness is questioned by plaintiffs and in my view rightly.

25. Having admitted that the titles in question have been imported into India and also stating that there are others who are so doing, in my view, is sufficient to hold that balance of convenience lies in favour of plaintiffs. When importation and distribution into India is not disputed by first defendant and considering that

they have not placed on record any document evidencing permission to do so, then clearly both, balance of convenience and irreparable injury, are aspects which have to be held in favour of plaintiffs.

26. There is one more reason why I am inclined to do so. As early as on 1st August 1984 the Hon'ble Delhi High Court in a decision to which first defendant herein is a party, considered more or less identical controversy. The Delhi High Court while issuing an injunction against the first defendant herein has observed thus :-

> "When certain American books were imported into India without licence of its copyright owner, viz. an exclusive licensee, for selling or distributing them in India, the import was infringement of copyright. It may be that the importer distributors were not printing these books and are not guilty of what is called primary infringement. But when they issue copies of these titles for public distribution they are guilty of secondary infringement. Also, issue of copies for public distribution is publication within the meaning of S.3. What matters is the issue of copies in India for purposes of infringement. Whether they have already been published lawfully in America is of little consequence. The importation, sale and public distribution of American Editions constitute infringement of copyright of the exclusive licensee. It is also an infringement of copyright knowingly to import into India for sale or hire infringing copies of a work without the

> consent of the owner of the copyright, though they may have been made by or with the consent of the owner of the copyright in the place where they were made. In America the subject books were lawfully published, it is true. But they cannot cross the borders of India infringing the copyright of the exclusive licensee. Importation of books which are "infringing copies of the work" is an infringement. So is the sale thereof. If any person, without the licence of the copyright owner, imports into India for the purpose of selling or distributing for purposes of trade the literary work, the copyright is infringed, any importation of infringing copies is therefore an infringement unless it is for the importer's own use. American books may be lawfully published in America. But when the copies of those publications are imported into this country, an action for infringement would lie in this country against the importer in respect of those copies. An action would also lie against any person who for instance sold or distributed such copies here, because the books have been imported and sold without the licence of the owner of the copyright or his exclusive licensee.
>
> Generally speaking, whenever there is misappropriation of intellectual property of which the primary beneficiary is the copyright owner there is infringement of copyright. Copyright is a property right. Throughout the work it is regarded as a form of property worthy of special protection in the ultimate public interest. The law starts from premise that protection should be as long and as broad as possible and should provide those exceptions and limitations which are essential in the public interest."

Mr.Tulzapurkar could not seriously dispute that first defendant herein and before Delhi High Court are the same. However, he states that some

aspects of the matter raised before me were not urged before the Delhi High Court. In my view, the law laid down by the Delhi High Court cannot be brushed aside by me, at least, at this prima facie stage. In the result, Notice of Motion succeeds. It is made absolute in terms of prayer clause (b) which reads thus :-

> "b. that pending the hearing and final disposal of the present suit the Defendant No.1 their servants, representatives, agents, distributors, dealers and employees be restrained by a temporary order and injunction of this Hon'ble Court from in any manner whatsoever importing, distributing or selling TinTin books in India."

27. I had recorded a statement of first defendant's advocate on 10th June 2005 by which ad-interim order in terms of prayer clause (b) was granted. That ad-interim order is in force admittedly and is now confirmed. However, there shall be no order as to costs.

(S.C.DHARMADHIKARI, J.)